

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
GLOBAL EXPEDITED PACKAGE SERVICES 3
(MC2010-28 AND CP2010-71)
NEGOTIATED SERVICE AGREEMENT

Docket No.
CP2016-144

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
MODIFICATION TWO TO GLOBAL EXPEDITED PACKAGE SERVICES 3
NEGOTIATED SERVICE AGREEMENT
(May 30, 2017)**

The agreement that is the subject of this docket is scheduled to expire on July 31, 2017.¹ Attached to this notice is Modification Two, which the customer and the Postal Service have executed. The modification revises Articles 2, 3, 6, 9, 33, and 34, to allow for postage payment through a PC Postage Provider approved by the Postal Service in accordance with Annex 1B and Annex 1C of the agreement. The modification is intended to go into effect on June 15, 2017.

A redacted version of the modification is filed publicly as Attachment 1, while the unredacted version of the modification is filed under seal. With respect to the nonpublic version of the modification that is filed under seal, the Postal Service hereby incorporates its Application for Non-Public Treatment filed in conjunction with its notice dated March 31, 2016, in this docket.²

¹ PRC Order No. 3851, Order Approving Modification to Global Expedited Package Services 3 Negotiated Service Agreement, Docket No. CP2016-144, April 14, 2017, at 2.

² Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2016-144, March 31, 2016, at Attachment 4.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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May 30, 2017

**MODIFICATION TWO TO THE
GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN
THE UNITED STATES POSTAL SERVICE AND**

This Modification amends the Global Customized Mail Agreement ("Agreement") between [REDACTED] ("Mailer") with offices at [REDACTED] and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Mailer on February 29, 2016, and by USPS on March 7, 2016, as amended by Modification One, signed by the Mailer on April 7, 2016, and by USPS on April 9, 2016. The Mailer and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make the following six changes to the Agreement.

First, Article 2 Payment Method shall now read as follows:

2. Payment Method. (1) The Mailer shall pay postage to the USPS for Qualifying Mail in accordance with Annex 1A to this Agreement through the use of a permit imprint using USPS-provided Global Shipping Software (GSS) subject to the conditions stated in IMM 152.6 and DMM 604.5. (2) The Mailer may pay postage to the USPS for Qualifying Mail in accordance with Annex 1B and Annex 1C to this Agreement through the use of a permit imprint using USPS-provided Global Shipping Software (GSS) subject to the conditions stated in IMM 152.6 and DMM 604.5 or through the intermediary of a USPS-approved PC Postage Provider that the USPS has authorized to offer services to contract rate customers. The Mailer retains the right to change the PC Postage Provider, provided that the new PC Postage Provider has been authorized by the USPS to offer services to contract rate customers. Initially, the Mailer chooses [REDACTED] as its USPS-approved PC Postage Provider.

Second, Article 3 Definitions shall now read as follows:

3. Definitions. As used in this Agreement: (1) "IMM" means the *International Mail Manual* as found on the USPS website pe.usps.com on the date of mailing. (2) "DMM" means the *Domestic Mail Manual* as found on the USPS website pe.usps.com on the date of mailing. (3) "Effective Date" means the first date on which the USPS is willing to accept Qualifying Mail. (4) "Qualifying Mail" means mail that meets the requirements set forth in Article 4 of this Agreement. (5) "Non-Qualifying Mail" means mail that does not meet the requirements set forth in Article 4 of this Agreement. Priority Mail Express International and Priority Mail International tendered to the USPS at a Business Mail Entry Unit, at a USPS retail window, or at any commercial mail receiving agency are Non-Qualifying Mail. (6) "PC Postage Provider" means a provider of software-based management of postage accounts, authorized by the USPS to offer services to contract rate customers.

Third, Article 6 Specific Preparation Requirements shall now read as follows:

6. Specific Preparation Requirements. (1) Mailings of Qualifying Mail must be kept separate from any other type of mail the Mailer tenders. (2) International mailings must be separated from domestic mailings. (3) Mailings processed using Global Shipping Software (GSS) must: (i) Be accompanied by a postage manifest; and (ii) Be paid for through the use of a Permit Imprint. (4) Mailings processed using software provided by a USPS-approved PC Postage Provider that the USPS has authorized to offer services to contract rate customers must be accompanied by a PS Form 3152 Confirmation Services Certification, or a PS Form 5630 Shipment Confirmation Acceptance Notice, or an equivalent form produced by the PC Postage Provider's software. (5) All Qualifying Mail must be paid for, prepared, and processed in accordance with the Annexes to this Agreement.

Fourth, Article 9 Additional Obligations of the Mailer shall now read as follows:

9. Additional Obligations of the Mailer. The Mailer hereby agrees: (1) Advance Notification To provide: (a) The Manager, Customized Mail, USPS, via e-mail to icmusps@usps.gov, with notification of new GSS permit numbers used for Qualifying Mail one week in advance of using the new permit numbers. The message should include the permit number, the city, state, and ZIP Code where the permit is held, the name of the permit owner, and the requested implementation date. (b) The appropriate USPS acceptance site(s) with notice of intent to mail. (c) The Manager, Customized Mail, USPS, via e-mail to icmusps@usps.gov with notification of the Mailer's intent to change PC Postage Providers and the name of the new PC Postage Provider the Mailer intends to use at least twenty (20) days in advance of the anticipated change from one PC Postage Provider to another; (2) Tender To present the mailings to the USPS in accordance with the Annexes to this agreement and any supplementary documents referred to therein. Qualifying Mail for which postage payment is through a PC Postage Provider, the following means of tender are not authorized: tender at a USPS retail window, or a commercial mail receiving agency. (3) Address Labels and Customs Declarations To create address labels and Customs declarations for all Qualifying Mail in accordance with the Annexes to this Agreement using either USPS-provided Global Shipping Software (GSS) or using the software provided by the USPS-approved PC Postage Provider which the Mailer has identified as its selected postage payment intermediary. (4) Information Link To establish the necessary linkages with the USPS so that: (a) The Mailer and the USPS can exchange data transmissions concerning the Mailer's packages; (b) The USPS can, at the Mailer's request, extract information by scanning the Mailer-provided barcode on each package. (5) Data Transmission To exchange electronic information with the USPS according to the instructions the USPS provides. (6) Postage Due To pay any postage due to the USPS as a result of discrepancies between the actual PC postage applied to the mailings and the postage required under this Agreement.

Fifth, new Article 33 Penalty for the Improper Tender of Mail is added as follows:

33. Penalty for the Improper Tender of Mail. The penalty for the improper tender of mail through the use of a PC Postage Provider shall be [REDACTED]

Sixth, new Article 34 Fraud is added as follows:

34. Fraud. The Mailer understands that providing false information with the intent to access discounted rates through the use of a PC Postage Provider may subject the Mailer to criminal and/or civil penalties, including fines and imprisonment.

All other terms and conditions of the Agreement shall remain in force.

The USPS will notify the Mailer of the Effective Date of this Modification as soon as possible, but no later than thirty (30) days, after receiving the approval of the entities that have oversight responsibilities for the USPS.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals ("Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification might not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the USPS to provide the products or services contemplated under this Modification, no obligation shall exist for the USPS and no benefit shall inure to either Party. In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Mailer prior to the Effective Date of this Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential, or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Mailer acknowledges that the Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2016-144). The Mailer authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. The Mailer further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this Modification (including revenue, cost or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which the Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which ACR201# signifies the USPS fiscal year to which the ACR pertains. The Mailer has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website at <http://prc.gov/Docs/63/63467/Order225.pdf>.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

In witness whereof, this Modification is deemed executed on the latter of the two dates accompanying the Parties' signatures.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature:

Name:

Title:

Date:

Donald W Ross

Director International Sales

5-16-2017

ON BEHALF OF

Signature:

Name:

Title:

Date:

CONFIDENTIAL

USPS /

05/2017

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